

APR 1948

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GENERAL

1. Arab plans for invasion of Palestine--US Ambassador Tuck in Cairo believes, on the basis of information from the Secretary General of the Arab League and other informed sources, that the Arab states will probably not implement a reported "overall agreement" regarding the dispatch of their armies to Palestine until: (a) the detailed plan of action has been approved by Saudi Arabia, Syria, and Lebanon; (b) a further effort has been made by the Arab volunteers in Palestine, who are to be supplied with all arms available; and (c) essential steps have been taken to mobilize the official Arab armies and coordinate their efforts. Tuck adds that Transjordan, Iraq, and Syria are expected to provide the major forces, and Lebanon the minor units. Tuck believes that the initial contribution from Egypt will consist principally of funds. Meanwhile, the British commander in Palestine has expressed to US Consul General Wasson in Jerusalem the belief that King Abdullah of Transjordan will not send any troops to Palestine before 15 May.

(CIA Comment: Unless further full-scale Jewish attacks develop in the near future, it appears unlikely that the Arab armies will invade Palestine in force before British withdrawal, scheduled for 15 May.)

2. France favors defense system of regional groups--Secretary General Chauvel of the French Foreign Office has told US Ambassador Caffery that France strongly favors the inclusion of Italy in a "defense system." Chauvel indicated, however, that France desires the establishment of several coordinated defense groups, one around Brussels, one in the "eastern Mediterranean" (to include Italy, Greece, Turkey, Iran, and the Arab states), and possibly one in northern Europe. Chauvel said that the Netherlands is showing a certain "diffidence" toward the entrance of Italy into the union of western European powers.

DOS Review Completed

Army Review Completed

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3. USSR suggests discussions on German transport deadlock-- According to Acting US Political Adviser Chase, the Soviet Director of Transport in Berlin has informed UK representatives that he desires to hold a tripartite "working party" conference to discuss surface transportation difficulties between the Soviet zonal authorities and the western powers. The Soviet Director indicated a willingness to relax somewhat the Soviet position in the current dispute with the UK on the barge problem. Chase emphasizes, however, that no arrangements for programming traffic between the Soviet and western zones have been made since the breakdown of the Allied Control Authority, and all rail entry points from the west to Berlin have been closed with the exception of Helmstedt.

(CIA Comment: CIA believes that in any discussion the USSR would attempt to: (a) secure at least partial western acquiescence in the restrictions which have been imposed on traffic; and (b) eliminate delays in barge shipments consigned to the Soviet Zone.)

EUROPE

4. GERMANY: "German unity" petitions to be banned--Acting US Political Adviser Chase reports that the US Military Government intends to notify Communist parties in the US Zone that the People's Congress movement is an illegal organization and therefore its circulation of any petitions for a referendum on German unity will be illegal. The Military Government will not oppose the campaign of the Bavarian Communists for an amendment of the Bavarian constitution providing for Bavarian participation in a unified German republic.

(CIA Comment: CIA believes that the German unity campaign will be carried on in other fields besides the purely political and may be accompanied by popular disturbances. The degree to which the new German unity campaign is effective will largely depend upon the extent to which the Communists can exert influence on the ostensibly anti-Communist nationalist groups now developing in western Germany.)

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5. SPAIN: Reaction to Italian elections--US Charge Culbertson believes that some degree of political and economic liberalization in Spain may possibly result from Franco's realization that the democratic victory in Italy has weakened Spain's international strategic position. The Spanish Government had expected Spain's inclusion in the European program to result from a Communist victory in the Italian elections.

(CIA Comment: CIA agrees that the setback to Communism in Italy will impair Franco's domestic propaganda position. Franco probably will not, however, risk the political consequences of modifying his economic policies until he is convinced that economic disaster is imminent. Such a crisis is in formation but will be retarded by the Argentine loan and by possible indirect benefits from the European recovery program.)

NEAR EAST-AFRICA

6. GREECE: Tsaldaris urges extension of parliamentary recess--US Charge Rankin reports that Greek Foreign Minister Tsaldaris has proposed to Prime Minister Sophoulis that: (a) the King exercise his authority to prolong the present parliamentary recess until 10 June; and (b) four Populist and four Liberal ministers be replaced at once.

(CIA Comment: An extension of the present recess--scheduled to end 10 May--would have the beneficial effect of continuing a period relatively free of dangerous political bickering. The replacement of certain ministers might check the growing popular discontent with the Government.)

THE AMERICAS

7. PANAMA: Possibilities of disorder--US Embassy Panama City reports that election-time disorders in Panama may result from: (a) an armed coup by the followers of Arnulfo Arias, (b) assassination of prominent political leaders, and (c) provocation by Communist groups.

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(CIA Comment: CIA estimates that: (a) a coup by the followers of Arnulfo Arias is a possibility at the election time but would probably be so quickly accomplished that no general disorders will result; (b) any political assassinations are unlikely unless general political disturbances break out; and (c) the Communists will be unable to create serious disorders in Panama during or after the presidential elections scheduled for 9 May.)

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